

S 2987 IS

106th CONGRESS
2d Session
S. 2987

To amend title XVIII of the Social Security Act to promote access to health care services in rural areas, and for other purposes.

IN THE SENATE OF THE UNITED STATES

July 27, 2000

Mr. ROBERTS (for himself, Mr. GRASSLEY, Mr. JEFFORDS, Mr. THOMAS, and Mr. CONRAD) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title XVIII of the Social Security Act to promote access to health care services in rural areas, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE-** This Act may be cited as the 'Rural Health Care in the 21st Century Act of 2000'.

(b) **TABLE OF CONTENTS-** The table of contents of this Act is as follows:
Sec. 1. Short title; table of contents.

TITLE I--HIGH TECHNOLOGY

Sec. 101. High technology acquisition grant and loan program.

Sec. 102. Refinement of medicare reimbursement for telehealth services.

Sec. 103. Extension of telemedicine demonstration projects.

TITLE II--IMPROVEMENTS IN THE DISPROPORTIONATE SHARE HOSPITAL (DSH) PROGRAM

Sec. 201. Disproportionate share hospital adjustment for rural hospitals.

TITLE III--IMPROVEMENTS IN THE CRITICAL ACCESS HOSPITAL (CAH) PROGRAM

Sec. 301. Treatment of swing-bed services furnished by critical access hospitals.

Sec. 302. Treatment of ambulance services furnished by certain critical access hospitals.

Sec. 303. Treatment of home health services furnished by certain critical access hospitals.

Sec. 304. Designation of a single fiscal intermediary for all critical access hospitals.

Sec. 305. Establishment of an all-inclusive payment option for outpatient critical access hospital services.

TITLE IV--OUTPATIENT SERVICES FURNISHED BY RURAL PROVIDERS

Sec. 401. Permanent guarantee of pre-BBA payment levels for outpatient services furnished by rural hospitals.

Sec. 402. Provider-based rural health clinic cap exemption.

Sec. 403. Payment for certain physician assistant services.

Sec. 404. Exclusion of rural health clinic services from the PPS for skilled nursing facilities.

Sec. 405. Bonus payments for rural home health agencies.

TITLE V--BAD DEBT

Sec. 501. Restoration of full payment for bad debts of qualified medicare beneficiaries.

TITLE VI--NATIONAL HEALTH SERVICE CORPS SCHOLARSHIP PROGRAM

Sec. 601. Exclusion of certain amounts received under the National Health Service Corps scholarship program.

TITLE VII--TECHNICAL CORRECTIONS TO BALANCED BUDGET REFINEMENT ACT OF 1999

Sec. 701. Extension of option to use rebased target amounts to all sole community hospitals.

Sec. 702. Payments to critical access hospitals for clinical diagnostic laboratory tests.

TITLE I--HIGH TECHNOLOGY

SEC. 101. HIGH TECHNOLOGY ACQUISITION GRANT AND LOAN PROGRAM.

(a) ESTABLISHMENT OF PROGRAM- Title III of the Public Health Service Act (42 U.S.C. 241 et seq.) is amended by inserting after section 330D the following:

`SEC. 330E. HIGH TECHNOLOGY ACQUISITION GRANT AND LOAN PROGRAM.

`(a) ESTABLISHMENT OF PROGRAM- The Secretary, acting through the Director of the Office of Rural Health Policy (of the Health Resources and Services Administration), shall establish a High Technology Acquisition Grant and Loan Program for the purpose of--

- `(1) improving the quality of health care in rural areas through the acquisition of advanced medical technology;
- `(2) fostering the development the networks described in section 330D(c);
- `(3) promoting resource sharing between urban and rural facilities; and
- `(4) improving patient safety and outcomes through the acquisition of high technology, including software, information services, and staff training.

`(b) GRANTS AND LOANS- Under the program established under subsection (a), the Secretary, acting through the Director of the Office of Rural Health Policy, may award grants and make loans to any eligible entity (as defined in subsection (d)(1)) for any costs incurred by the eligible entity in acquiring eligible equipment and services (as defined in subsection (d)(2)).

`(c) LIMITATIONS-

`(1) IN GENERAL- Subject to paragraph (2), the total amount of grants and loans made under this section to an eligible entity may not exceed \$100,000.

`(2) FEDERAL SHARING-

`(A) GRANTS- The amount of any grant awarded under this section may not exceed 70 percent of the costs to the eligible entity in acquiring eligible equipment and services.

`(B) LOANS- The amount of any loan made under this section may not exceed 90 percent of the costs to the eligible entity in acquiring eligible equipment and services.

`(d) DEFINITIONS- In this section:

`(1) ELIGIBLE ENTITY- The term 'eligible entity' means a hospital, health center, or any other entity that the Secretary determines is appropriate that is located in a rural area or region.

`(2) ELIGIBLE EQUIPMENT AND SERVICES- The term 'eligible equipment and services' includes--

`(A) unit dose distribution systems;

`(B) software and information services and staff training;

`(C) wireless devices to transmit medical orders;

`(D) clinical health care informatics systems, including bar code systems designed to avoid medication errors and patient tracking systems; and

`(E) any other technology that improves the quality of health care provided in rural areas.

`(e) AUTHORIZATION OF APPROPRIATIONS- For the purpose of carrying out this section there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 2001 through 2006.'

SEC. 102. REFINEMENT OF MEDICARE REIMBURSEMENT FOR TELEHEALTH SERVICES.

(a) REVISION OF TELEHEALTH PAYMENT METHODOLOGY AND
ELIMINATION OF FEE-SHARING REQUIREMENT- Section 4206(b) of the
Balanced Budget Act of

1997 (42 U.S.C. 1395l note) is amended to read as follows:

`(b) METHODOLOGY FOR DETERMINING AMOUNT OF PAYMENTS-

`(1) IN GENERAL- The Secretary shall pay to--

`(A) the physician or practitioner at a distant site that provides an item or service under subsection (a) an amount equal to the amount that such physician or provider would have been paid had the item or service been provided without the use of a telecommunications system; and

`(B) the originating site a facility fee for facility services furnished in connection with such item or service.

`(2) APPLICATION OF PART B COINSURANCE AND

DEDUCTIBLE- Any payment made under this section shall be subject to the coinsurance and deductible requirements under subsections (a)(1) and (b) of section 1833 of the Social Security Act (42 U.S.C. 1395l).

`(3) DEFINITIONS- In this subsection:

`(A) DISTANT SITE- The term `distant site' means the site at which the physician or practitioner is located at the time the item or service is provided via a telecommunications system.

`(B) FACILITY FEE- The term `facility fee' means an amount equal to--

`(i) for 2000 and 2001, \$20; and

`(ii) for a subsequent year, the facility fee under this subsection for the previous year increased by the percentage increase in the MEI (as defined in section 1842(i)(3)) for such subsequent year.

`(C) ORIGINATING SITE-

`(i) IN GENERAL- The term `originating site' means the site described in clause (ii) at which the eligible telehealth beneficiary under the medicare program is located at the time the item or service is provided via a telecommunications system.

`(ii) SITES DESCRIBED- The sites described in this paragraph are as follows:

`(I) On or before January 1, 2002, the office of a physician or a practitioner, a critical access hospital, a rural health clinic, and a Federally qualified health center.

`(II) On or before January 1, 2003, the sites described in subclause (I), a hospital, a skilled nursing facility, a comprehensive outpatient rehabilitation facility, a renal dialysis facility, an ambulatory surgical center, an Indian Health Service facility, and a community mental health center.'

(b) ELIMINATION OF REQUIREMENT FOR TELEPRESENTER- Section 4206 of the Balanced Budget Act of 1997 (42 U.S.C. 1395l note) is amended--

(1) in subsection (a), by striking `, notwithstanding that the individual physician' and all that follows before the period at the end; and

(2) by adding at the end the following new subsection:

`(e) TELEPRESENTER NOT REQUIRED- Nothing in this section shall be construed as requiring an eligible telehealth beneficiary to be presented by a physician or practitioner for the provision of an item or service via a telecommunications system.'

(c) REIMBURSEMENT FOR MEDICARE BENEFICIARIES WHO DO NOT RESIDE IN A HPSA- Section 4206(a) of the Balanced Budget Act of 1997 (42 U.S.C. 1395l note), as amended by subsection (b), is amended--

(1) by striking `IN GENERAL- Not later than' and inserting the following:

`TELEHEALTH SERVICES REIMBURSED-

`(1) IN GENERAL- Not later than';

(2) by striking `furnishing a service for which payment' and all that follows before the period and inserting `to an eligible telehealth beneficiary'; and

(3) by adding at the end the following new paragraph:

`(2) ELIGIBLE TELEHEALTH BENEFICIARY DEFINED- In this section, the term `eligible telehealth beneficiary' means a beneficiary under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) that resides in--

`(A) an area that is designated as a health professional shortage area under section 332(a)(1)(A) of the Public Health Service Act (42 U.S.C. 254e(a)(1)(A));

`(B) a county that is not included in a Metropolitan Statistical Area;

`(C) an inner-city area that is medically underserved (as defined in section 330(b)(3) of the Public Health Service Act (42 U.S.C. 254b(b)(3))); or

`(D) an area in which there is a Federal telemedicine demonstration program.'.

(d) TELEHEALTH COVERAGE FOR DIRECT PATIENT CARE-

(1) IN GENERAL- Section 4206 of the Balanced Budget Act of 1997 (42 U.S.C. 1395l note), as amended by subsection (c), is amended--

(A) in subsection (a)(1), by striking `professional consultation via telecommunications systems with a physician' and inserting `items and services for which payment may be made under such part that are furnished via a telecommunications system by a physician'; and

(B) by adding at the end the following new subsection:

`(f) COVERAGE OF ITEMS AND SERVICES- Payment for items and services provided pursuant to subsection (a) shall include payment for professional consultations, office visits, office psychiatry services, including any service identified as of July 1, 2000, by HCPCS codes 99241-99275, 99201-99215, 90804-90815, and 90862, and any additional item or service specified by the Secretary.'.

(2) STUDY AND REPORT REGARDING ADDITIONAL ITEMS AND SERVICES-

(A) STUDY- The Secretary of Health and Human Services shall conduct a study to identify items and services in addition to those described in section 4206(f) of the Balanced Budget Act of 1997 (as added by paragraph (1)) that would be appropriate to provide payment under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.).

(B) REPORT- Not later than 2 years after the date of enactment of this Act, the Secretary shall submit a report to Congress on the study conducted under subparagraph (A) together with such recommendations for legislation that the Secretary determines are appropriate.

- (e) ALL PHYSICIANS AND PRACTITIONERS ELIGIBLE FOR TELEHEALTH REIMBURSEMENT- Section 4206(a) of the Balanced Budget Act of 1997 (42 U.S.C. 1395l note), as amended by subsection (d), is amended--
- (1) in paragraph (1), by striking `(described in section 1842(b)(18)(C) of such Act (42 U.S.C. 1395u(b)(18)(C))'; and
 - (2) by adding at the end the following new paragraph:
 - `(3) PRACTITIONER DEFINED- For purposes of paragraph (1), the term `practitioner' includes--
 - `(A) a practitioner described in section 1842(b)(18)(C) of the Social Security Act (42 U.S.C. 1395u(b)(18)(C)); and
 - `(B) a physical, occupational, or speech therapist.'
- (f) TELEHEALTH SERVICES PROVIDED USING STORE-AND-FORWARD TECHNOLOGIES- Section 4206(a)(1) of the Balanced Budget Act of 1997 (42 U.S.C. 1395l note), as amended by subsection (e), is amended by adding at the end the following new paragraph:
- `(4) USE OF STORE-AND-FORWARD TECHNOLOGIES- For purposes of paragraph (1), in the case of any Federal telemedicine demonstration program in Alaska or Hawaii, the term `telecommunications system' includes store-and-forward technologies that provide for the asynchronous transmission of health care information in single or multimedia formats.'
- (g) CONSTRUCTION RELATING TO HOME HEALTH SERVICES- Section 4206(a) of the Balanced Budget Act of 1997 (42 U.S.C. 1395l note), as amended by subsection (f), is amended by adding at the end the following new paragraph:
- `(5) CONSTRUCTION RELATING TO HOME HEALTH SERVICES-
 - `(A) IN GENERAL- Nothing in this section or in section 1895 of the Social Security Act (42 U.S.C. 1395fff) shall be construed as preventing a home health agency that is receiving payment under the prospective payment system described in such section from furnishing a home health service via a telecommunications system.
 - `(B) LIMITATION- The Secretary shall not consider a home health service provided in the manner described in subparagraph (A) to be a home health visit for purposes of--
 - `(i) determining the amount of payment to be made under the prospective payment system established under section 1895 of the Social Security Act (42 U.S.C. 1395fff); or
 - `(ii) any requirement relating to the certification of a physician required under section 1814(a)(2)(C) of such Act (42 U.S.C. 1395f(a)(2)(C)).'
- (h) EFFECTIVE DATE- The amendments made by this Act shall apply to items and services provided on or after the date of enactment of this Act.

SEC. 103. EXTENSION OF TELEMEDICINE DEMONSTRATION PROJECTS.

The Secretary of Health and Human Services shall maintain through September 30, 2003, the grant and operational phases of any telemedicine demonstration project conducted under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.)--

- (1) for which funds were expended before the date of enactment of the Balanced Budget Act of 1997 (Public Law 105-133; 111 Stat. 251); and
- (2) that is ongoing as of the date of enactment of this Act.

TITLE II--IMPROVEMENTS IN THE DISPROPORTIONATE SHARE HOSPITAL (DSH) PROGRAM

SEC. 201. DISPROPORTIONATE SHARE HOSPITAL ADJUSTMENT FOR RURAL HOSPITALS.

(a) Application of Uniform 15 Percent Threshold- Section 1886(d)(5)(F)(v) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(F)(v)) is amended by striking `exceeds--' and all that follows and inserting `exceeds 15 percent.'

(b) CHANGE IN PAYMENT PERCENTAGE FORMULAS- Section 1886(d)(5)(F) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(F)) is amended--

(1) in clause (iv), by striking `and that--' and all that follows and inserting `is equal to the percentage determined in accordance with the applicable formula described in clause (vii).';

(2) in clause (vii), by striking `clause (iv)(I)' and inserting `clause (iv)';
and

(3) by striking clause (viii) and inserting the following new clause:
`(viii) No hospital described in clause (iv) may receive a payment amount under this section that is less than the payment amount that would have been made under this section if the amendments made by section 201 of the Rural Health Care in the 21st Century Act of 2000 had not been enacted.'

(c) EFFECTIVE DATE- The amendments made by this section apply to discharges occurring on or after October 1, 2000.

TITLE III--IMPROVEMENTS IN THE CRITICAL ACCESS HOSPITAL (CAH) PROGRAM

SEC. 301. TREATMENT OF SWING-BED SERVICES FURNISHED BY CRITICAL ACCESS HOSPITALS.

(a) EXEMPTION FROM SNF PPS- Section 1888(e)(7) of the Social Security Act (42 U.S.C. 1395yy(e)(7)) is amended--

- (1) in the heading, by striking 'TRANSITION FOR' and inserting 'TREATMENT OF';
- (2) in subparagraph (A), by striking 'IN GENERAL- The' and inserting 'TRANSITION- Except as provided in subparagraph (C), the';
- (3) in subparagraph (B), by striking ', for which' and all that follows before the period at the end and inserting '(other than critical access hospitals)'; and
- (4) by adding at the end the following new subparagraph:
 - (C) CRITICAL ACCESS HOSPITALS- In the case of facilities described in subparagraph (B) that are critical access hospitals--
 - (i) the prospective payment system established under this subsection shall not apply to services furnished pursuant to an agreement described in section 1883; and
 - (ii) such services shall be paid on the basis specified in subsection (a)(3) of such section.'

(b) PAYMENT BASIS FOR SWING-BED SERVICES FURNISHED BY CRITICAL ACCESS HOSPITALS- Section 1883(a) of the Social Security Act (42 U.S.C. 1395tt(a)) is amended--

- (1) in paragraph (2)(A), by inserting '(other than a critical access hospital)' after 'any hospital'; and
- (2) by adding at the end the following new paragraph:
 - (3) Notwithstanding any other provision of this title, a critical access hospital shall be paid for services furnished under an agreement entered into under this section on the basis of the reasonable costs of such services (as determined under section 1861(v)).'

(c) EFFECTIVE DATE- The amendments made by this section shall apply to cost reporting periods beginning on or after October 1, 1999.

SEC. 302. TREATMENT OF AMBULANCE SERVICES FURNISHED BY CERTAIN CRITICAL ACCESS HOSPITALS.

(a) EXEMPTION FROM AMBULANCE FEE SCHEDULE-

- (1) IN GENERAL- Section 1834(l) of the Social Security Act (42 U.S.C. 1395m(l)) is amended by adding at the end the following new paragraph:
 - (8) INAPPLICABILITY OF FEE SCHEDULE TO CERTAIN SERVICES- In the case of ambulance services (described in section 1861(s)(7)) that are provided in a locality by a critical access hospital that is the only provider of ambulance services in the locality, or by an entity that is owned and operated by such a critical access hospital--
 - (A) the fee schedule established under this subsection shall not apply; and
 - (B) payment under this part shall be paid on the basis of the reasonable costs incurred in providing such services.'
- (2) CONFORMING AMENDMENTS- Section 1833(a)(1) of the Social Security Act (42 U.S.C. 1395l(a)(1)) is amended--

(A) in subparagraph (R)--

(i) by inserting `except as provided in subparagraph (T),' before `with respect'; and

(ii) by striking `and' at the end; and

(B) in subparagraph (S), by striking the semicolon at the end and inserting `, and (T) with respect to ambulance services described in section 1834(l)(8), the amount paid shall be 80 percent of the lesser of the actual charge for the services or the amount determined under such section;'.
(3) EFFECTIVE DATE- The amendments made by this subsection shall apply to cost reporting periods beginning on or after October 1, 1999.

(b) EXEMPTION FROM REASONABLE COST REDUCTIONS-

(1) EXEMPTION- Section 1861(v)(1)(U) of the Social Security Act (42 U.S.C. 1395x(v)(1)(U)) is amended by inserting after the first sentence the following new sentence: `The reductions required by the preceding sentence shall not apply in the case of ambulance services that are provided in a locality on or after October 1, 1999, by a critical access hospital that is the only provider of ambulance services in the locality, or by an entity that is owned and operated by such a critical access hospital.'.

(2) TECHNICAL AMENDMENT- Section 1861(v)(1) of the Social Security Act (42 U.S.C. 1395x(v)(1)) is amended by realigning subparagraph (U) so as to align the left margin of such subparagraph with the left margin of subparagraph (T).

SEC. 303. TREATMENT OF HOME HEALTH SERVICES FURNISHED BY CERTAIN CRITICAL ACCESS HOSPITALS.

(a) EXEMPTION FROM HOME HEALTH INTERIM PAYMENT SYSTEM- Section 1861(v)(1)(L) of the Social Security Act (42 U.S.C. 1395x(v)(1)(L)) is amended by adding at the end the following new clause:

(xi) The preceding provisions of this subparagraph shall not apply to home health services that are furnished on or after October 1, 2000, by a home health agency that is--

(I) the only home health agency serving a locality; and

(II) owned and operated by a critical access hospital.'.

(b) EXEMPTION FROM PPS-

(1) IN GENERAL- Section 1895 of the Social Security Act (42 U.S.C. 1395fff) is amended by adding at the end the following new subsection:

(e) EXEMPTION- The prospective payment system established under this section shall not apply in determining payments for home health services furnished by a home health agency that is--

(1) the only home health agency serving a locality; and

(2) owned and operated by a critical access hospital.'.

(2) CONFORMING AMENDMENT- Section 1833(a)(2)(A) of the Social Security Act (42 U.S.C. 1395(a)(2)(A)) is amended by inserting 'home health services described in section 1895(e) and other than' after 'other than'.

(3) TECHNICAL AMENDMENT- Section 1833(a)(2)(A) of the Social Security Act (42 U.S.C. 1395(a)(2)(A)) is amended by striking 'drug' (as defined in section 1861(kk))' and inserting 'drug (as defined in section 1861(kk)))'.

(4) EFFECTIVE DATE- The amendments made by this subsection shall apply to cost reporting periods beginning on or after October 1, 2000.

SEC. 304. DESIGNATION OF A SINGLE FISCAL INTERMEDIARY FOR ALL CRITICAL ACCESS HOSPITALS.

Section 1816 of the Social Security Act (42 U.S.C. 1395h) is amended by adding at the end the following:

`(m) Not later than October 1, 2000, the Secretary shall designate a national agency or organization with an agreement under this section to perform functions under the agreement with respect to each critical access hospital electing to have such functions performed by such agency or organization.'.

SEC. 305. ESTABLISHMENT OF AN ALL-INCLUSIVE PAYMENT OPTION FOR OUTPATIENT CRITICAL ACCESS HOSPITAL SERVICES.

(a) ALL-INCLUSIVE PAYMENT OPTION FOR OUTPATIENT CRITICAL ACCESS HOSPITAL SERVICES- Section 1834(g) of the Social Security Act (42 U.S.C. 1395m(g)) is amended--

(1) by striking paragraph (1) and inserting the following new paragraph:

`(1) ELECTION OF CAH- At the election of a critical access hospital, the amount of payment for outpatient critical access hospital services under this part shall be determined under paragraph (2) or (3), such amount determined under either paragraph without regard to the amount of the customary or other charge.'; and

(2) by striking paragraph (3) and inserting the following new paragraph:

`(3) ALL-INCLUSIVE RATE- If a critical access hospital elects this paragraph to apply, with respect to both facility services and professional services, there shall be paid amounts equal to the reasonable costs of the critical access hospital in providing such services (except that in the case of clinical diagnostic laboratory services furnished by a critical access hospital the amount of payment shall be equal to 100 percent of the reasonable costs of the critical access hospital in providing such services),

less the amount that such hospital may charge as described in section 1866(a)(2)(A).'

(b) EFFECTIVE DATE- The amendments made by subparagraph (a) shall take effect as if included in the enactment of section 403(d) of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (113 Stat. 1501A-371), as enacted into law by section 1000(a)(6) of Public Law 106-113.

TITLE IV--OUTPATIENT SERVICES FURNISHED BY RURAL PROVIDERS

SEC. 401. PERMANENT GUARANTEE OF PRE-BBA PAYMENT LEVELS FOR OUTPATIENT SERVICES FURNISHED BY RURAL HOSPITALS.

(a) IN GENERAL- Section 1833(t)(7)(D) of the Social Security Act (42 U.S.C. 1395l(t)(7)(D)), as added by section 202 of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (113 Stat. 1501A-342), as enacted into law by section 1000(a)(6) of Public Law 106-113, is amended to read as follows:

“(D) HOLD HARMLESS PROVISIONS FOR SMALL RURAL HOSPITALS AND CANCER HOSPITALS- In the case of a hospital located in a rural area and that has not more than 100 beds or a hospital described in section 1886(d)(1)(B)(v), for covered OPD services for which the PPS amount is less than the pre-BBA amount, the amount of payment under this subsection shall be increased by the amount of such difference.’.

(b) EFFECTIVE DATE- The amendment made by subsection (a) shall take effect as if included in the enactment of section 202 of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (113 Stat. 1501A-342), as enacted into law by section 1000(a)(6) of Public Law 106-113.

SEC. 402. PROVIDER-BASED RURAL HEALTH CLINIC CAP EXEMPTION.

(a) IN GENERAL- The matter in section 1833(f) of the Social Security Act (42 U.S.C. 1395l(f)) preceding paragraph (1) is amended by striking ‘with less than 50 beds’ and inserting ‘with an average daily patient census that does not exceed 50’.

(b) EFFECTIVE DATE- The amendment made by subparagraph (A) applies to services furnished on or after January 1, 2001.

SEC. 403. PAYMENT FOR CERTAIN PHYSICIAN ASSISTANT SERVICES.

- (a) PAYMENT FOR CERTAIN PHYSICIAN ASSISTANT SERVICES- Section 1842(b)(6)(C) of the Social Security Act (42 U.S.C. 1395u(b)(6)(C)) is amended by striking `for such services provided before January 1, 2003,'.
- (b) EFFECTIVE DATE- The amendment made by subsection (a) shall take effect on the date of enactment of this Act.

SEC. 404. EXCLUSION OF RURAL HEALTH CLINIC SERVICES FROM THE PPS FOR SKILLED NURSING FACILITIES.

- (a) IN GENERAL- Section 1888(e)(2)(A)(ii) of the Social Security Act (42 U.S.C. 1395yy(e)(2)(A)(ii)) is amended by inserting after the first sentence the following: `Services described in this clause also include services that are provided by a physician, a physician assistant, a nurse practitioner, a certified nurse midwife, or a qualified psychologist who is employed, or otherwise under contract, with a rural health clinic.'.
- (b) EFFECTIVE DATE- The amendment made by subsection (a) shall apply to services furnished on or after January 1, 2001.

SEC. 405. BONUS PAYMENTS FOR RURAL HOME HEALTH AGENCIES.

- (a) INCREASE IN PAYMENT RATES FOR RURAL AGENCIES-
- (1) IN GENERAL- Section 1895(b) of the Social Security Act (42 U.S.C. 1395fff(b)) is amended by adding at the end the following new paragraph: `(7) ADDITIONAL PAYMENT AMOUNT FOR SERVICES FURNISHED IN RURAL AREAS- In the case of home health services furnished in a rural area (as defined in section 1886(d)(2)(D)), the Secretary shall provide for an addition or adjustment to the payment amount otherwise made under this section for services furnished in a rural area in an amount equal to 10 percent of the amount otherwise determined under this subsection.'.
- (2) WAIVING BUDGET NEUTRALITY- Section 1895(b)(3) of such Act (42 U.S.C. 1395fff(b)(3)) is amended by adding at the end the following new subparagraph: `(D) NO ADJUSTMENT FOR ADDITIONAL PAYMENTS FOR RURAL SERVICES- The Secretary shall not reduce the standard prospective payment amount (or amounts) under this paragraph applicable to home health services furnished during a period to offset the increase in payments resulting from the application of paragraph (7) (relating to services furnished in rural areas).'.
- (b) EFFECTIVE DATE- The amendment made by subsection (a) shall apply to episodes of care beginning on or after April 1, 2001.

TITLE V--BAD DEBT

SEC. 501. RESTORATION OF FULL PAYMENT FOR BAD DEBTS OF QUALIFIED MEDICARE BENEFICIARIES.

(a) **MEDICARE COST-SHARING UNCOLLECTIBLE AND NOT COVERED BY MEDICAID STATE PLANS-** Section 1902(n)(3)(B) of the Social Security Act (42 U.S.C. 1396a(n)(3)(B)) is amended--

(1) by inserting `(i)' after `(B)'; and

(2) by adding at the end the following new clause:

`(ii) the amount of medicare cost-sharing that is uncollectible from the beneficiary because of clause (i) and that is not paid by any other individual or entity shall be deemed to be bad debt for purposes of title XVIII; and'.

(b) **RECOGNITION OF 100 PERCENT OF BAD DEBT-**

(1) **NONAPPLICATION OF REDUCTION-** Section 1861(v)(1)(T) of the Social Security Act (42 U.S.C. 1395x(v)(1)(T)) is amended by inserting `(other than any amount deemed to be bad debt under section 1902(n)(3)(B)(ii))' after `amounts under this title'.

(2) **RECOGNITION WITH RESPECT TO CERTIFIED NURSE ANESTHETISTS, NURSE PRACTITIONERS, AND CLINICAL NURSE SPECIALISTS-** Section 1833 of the Social Security Act (42 U.S.C. 1395l) is amended--

(A) in subsection (l)(5)(B), by striking `No hospital' and inserting `Except as provided in section 1902(n)(3)(B)(ii), no hospital'; and

(B) in subsection (r)(2), by striking `No hospital' and inserting `Except as provided in section 1902(n)(3)(B)(ii), no hospital'.

(c) **TECHNICAL AMENDMENT-** Section 1861(v)(1)(T) of the Social Security Act (42 U.S.C. 1395x(v)(1)(T)) is amended by striking `1833(t)(5)(B)' and inserting `1833(t)(8)(B)' in the matter preceding clause (i).

(d) **EFFECTIVE DATE-** The amendments made by this section shall apply to bad debt incurred on or after the date of enactment of this Act.

TITLE VI--NATIONAL HEALTH SERVICE CORPS SCHOLARSHIP PROGRAM

SEC. 601. EXCLUSION OF CERTAIN AMOUNTS RECEIVED UNDER THE NATIONAL HEALTH SERVICE CORPS SCHOLARSHIP PROGRAM.

(a) **IN GENERAL-** Section 117(c) of the Internal Revenue Code of 1986 (relating to the exclusion from gross income amounts received as a qualified scholarship) is amended--

- (1) by striking `Subsections (a)' and inserting the following:
` (1) IN GENERAL- Except as provided in paragraph (2), subsections (a)';
and
(2) by adding at the end the following new paragraph:
` (2) EXCEPTION- Paragraph (1) shall not apply to any amount received
by an individual under the National Health Service Corps Scholarship
Program under section 338A(g)(1)(A) of the Public Health Service Act.'.
- (b) EFFECTIVE DATE- The amendments made by subsection (a) shall apply to
amounts received in taxable years beginning after December 31, 1994.

TITLE VII--TECHNICAL CORRECTIONS TO BALANCED BUDGET REFINEMENT ACT OF 1999

SEC. 701. EXTENSION OF OPTION TO USE REBASED TARGET AMOUNTS TO ALL SOLE COMMUNITY HOSPITALS.

- (a) IN GENERAL- Section 1886(b)(3)(I)(i) of the Social Security Act (42 U.S.C. 1395ww(b)(3)(I)(i)) (as added by section 405 of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (113 Stat. 1501A-372), as enacted into law by section 1000(a)(6) of Public Law 106-113) is amended--
- (1) in the matter preceding subclause (I)--
- (A) by striking `for its cost reporting period beginning during 1999 is paid on the basis of the target amount applicable to the hospital under subparagraph (C) and that'; and
- (B) by striking `such target amount' and inserting `the amount otherwise determined under subsection (d)(5)(D)(i)';
- (2) in subclause (I), by striking `target amount otherwise applicable' and all that follows through `target amount')' and inserting `the amount otherwise applicable to the hospital under subsection (d)(5)(D)(i) (referred to in this clause as the `subsection (d)(5)(D)(i) amount')'; and
- (3) in each of subclauses (II) and (III), by striking `subparagraph (C) target amount' and inserting `subsection (d)(5)(D)(i) amount'.
- (b) EFFECTIVE DATE- The amendments made by this section shall take effect as if included in the enactment of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999, as enacted into law by section 1000(a)(6) of Public Law 106-113.

SEC. 702. PAYMENTS TO CRITICAL ACCESS HOSPITALS FOR CLINICAL DIAGNOSTIC LABORATORY TESTS.

- (a) PAYMENT ON COST BASIS WITHOUT BENEFICIARY COST-SHARING-

(1) IN GENERAL- Section 1833(a)(6) of the Social Security Act (42 U.S.C. 1395l(a)(6)) is amended by inserting `(including clinical diagnostic laboratory services furnished by a critical access hospital)' after `outpatient critical access hospital services'.

(2) NO BENEFICIARY COST-SHARING-

(A) IN GENERAL- Section 1834(g) of the Social Security Act (42 U.S.C. 1395m(g)) is amended by inserting `(except that in the case of clinical diagnostic laboratory services furnished by a critical access hospital the amount of payment shall be equal to 100 percent of the reasonable costs of the critical access hospital in providing such services)' before the period at the end.

(B) BBRA AMENDMENT- Section 1834(g) of the Social Security Act (42 U.S.C. 1395m(g)) is amended--

(i) in paragraph (1), by inserting `(except that in the case of clinical diagnostic laboratory services furnished by a critical access hospital the amount of payment shall be equal to 100 percent of the reasonable costs of the critical access hospital in providing such services)' after `such services,`; and

(ii) in paragraph (2)(A), by inserting `(except that in the case of clinical diagnostic laboratory services furnished by a critical access hospital the amount of payment shall be equal to 100 percent of the reasonable costs of the critical access hospital in providing such services)' before the period at the end.

(b) CONFORMING AMENDMENTS- Paragraphs (1)(D)(i) and (2)(D)(i) of section 1833(a) of the Social Security Act (42 U.S.C. 1395l(a)(1)(D)(i); 1395l(a)(2)(D)(i)) are each amended by striking `or which are furnished on an outpatient basis by a critical access hospital'.

(c) TECHNICAL AMENDMENT- Section 403(d)(2) of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (113 Stat. 1501A-371), as enacted into law by section 1000(a)(6) of Public Law 106-113, is amended by striking `subsection (a)' and inserting `paragraph (1)'.

(d) EFFECTIVE DATES-

(1) IN GENERAL- Except as provided in paragraph (2), the amendments made by this section shall apply to services furnished on or after November 29, 1999.

(2) BBRA AND TECHNICAL AMENDMENTS- The amendments made by subsections (a)(2)(B) and (c) shall take effect as if included in the enactment of section 403(d) of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (113 Stat. 1501A-371), as enacted into law by section 1000(a)(6) of Public Law 106-113.

END